



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-120 –Waivered Services: Medallion Department of Medical Assistance Services January 13, 2006

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Most of the proposed changes are clarifications in order to better reflect the implementation of the regulation in practice. In addition to the clarifying changes, one of the changes will shorten the time a recipient must notify the Department of Medical Assistance Services of their primary care provider selection from 45 days to 30 days. Another change will correct that a maximum number of Medallion clients that can be in a primary care provider panel is 2,000 as opposed to 1,500.

Estimated Economic Impact

These regulations contain rules for the Medallion managed care program operating within the Commonwealth's Medicaid program. Most of the proposed changes are clarifications of the current language or updating of operational changes that occurred as a result of other independent regulatory changes. None of the changes in this category are expected to create any significant economic impact other than reducing the potential for confusion and the costs that may arise from unclear or outdated language.

One of the changes is the proposal to shorten the time a recipient must notify the Department of Medical Assistance Services of their primary care provider (PCP) selection from 45 days to 30 days. According to the Department of Medical Assistance Services, 30-day notification time frame is the industry standard. Considering that if a selection is not made within the specified time frame, an individual is automatically assigned a PCP and that an individual can always change their PCP if they wish, this particular change is not expected to create any significant economic impact.

Another proposed change will correct that a maximum number of Medallion clients that can be in a primary care provider panel is 2,000 as opposed to 1,500. According to DMAS, this particular change will correct an erroneous change made before. Because the current erroneous limit has not been enforced in practice, no significant economic effect is expected from this change.

Businesses and Entities Affected

The proposed regulations apply to approximately 1,125 Medallion providers and 61,000 recipients.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

No significant effect is expected on Employment.

Effects on the Use and Value of Private Property

No significant effect is expected on the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed regulations are not expected to create any costs or other effects on small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations are not expected to affect small businesses.